

(HA-90-5)
HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO
RESOLUTION NO. 00478
ADOPTED ON OCTOBER 10, 1989

WHEREAS, the San Diego Housing Commission (the "Commission") has concluded that a need exists within the City of San Diego (the "City") for additional single room occupancy hotel rental units ("SRO" units) affordable to very low income tenants; and

WHEREAS, the Commission owns parcels at 435 13th Street and 434 13th Street (the "sites") which were originally acquired for development of SRO units; and

WHEREAS, the Commission has issued a Request for Proposals (the "RFP") for developers to lease the sites for one dollar per year per site and to construct on these sites SRO units affordable to very low income tenants, and after careful study and consideration the Commission has selected the nonprofit Housing Opportunities, Inc. ("HOI") as the developer to construct approximately one hundred thirty-seven (137) SRO units on 435 13th Street and fifty-eight (58) SRO units on 434 13th Street; and

WHEREAS, HOI has obtained commitments to fund the necessary construction loan and permanent loan from, respectively, Security Pacific Bank and the Savings Association Mortgage Company, and an allocation for Federal Tax Credits for these projects has been issued to HOI by the State Mortgage Bond and Tax Credit Allocation Committee; and

WHEREAS, to facilitate the Tax Credits necessary for the projects' financing, HOI will be leasing the sites as the general partner of San Diego SRO Limited Partnership, a California limited partnership (the "Tenant"); and

WHEREAS, in order to make these SRO projects feasible and to assist in the affordability of the SRO units, the Commission has authorized a second mortgage loan in the amount of \$344,200, and has authorized the lease of the sites for fifty-five years under certain terms and conditions of a Ground Lease and Development Agreement (the "Ground Lease"), a copy of which is on file in the office of the Executive Director as Document No. 00456; and

WHEREAS, in consideration of the nominal rent, the Commission will receive profit participation, rent restrictions and other

benefits, as more fully described in said Ground Lease; and

WHEREAS, the Commission has approved the Ground Lease and recommends that the said Ground Lease be approved by the Housing Authority of The City of San Diego (the "Authority"); and

WHEREAS, the Housing Authority, after due consideration, has determined that there is a shortage of decent, safe, sanitary and affordable rental housing within the City, particularly for very low income persons, and that it is in the best interest of the residents of the City and in furtherance of the health, safety and welfare of the public, for the Authority to assist in the creation of affordable SRO units; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of The City of San Diego, as follows:

1. That the Housing Authority hereby approves the Ground Lease, a copy of which is on file in the office of the Executive Director as Document No. 00456, in substantially the form presented at this meeting, or with such changes as may be approved by the General Counsel of the Housing Authority in order to effectuate the purposes of this resolution.

2. That the Executive Director of the Housing Authority is hereby authorized to execute, with the Tenant, the said Ground Lease and any related documents for the development of affordable SRO units at 435 13th Street and 434 13th Street.

APPROVED: JOHN W. WITT, General Counsel

By

Harold O. Valderhaug

Deputy Counsel

HOV:ps

08/29/89

Or.Dept:Hsg.Comm.

HA-90-5

Form=ha.nt